



Session 8: Trusted Trader Program and SEZ Connectivity

The AEO Program as a Platform for Central Asia Connectivity to
Support the Operation of Special Economic Zones (SEZs)
ADB • KCS • CAREC Customs Administrations

Workshop on Advancing Digital and Green Trade Facilitation
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The AEO Program as a Platform for Central Asia Connectivity

Enhancing Special Economic Zones through CATS Integration

ADB • KCS • CAREC Customs Administrations

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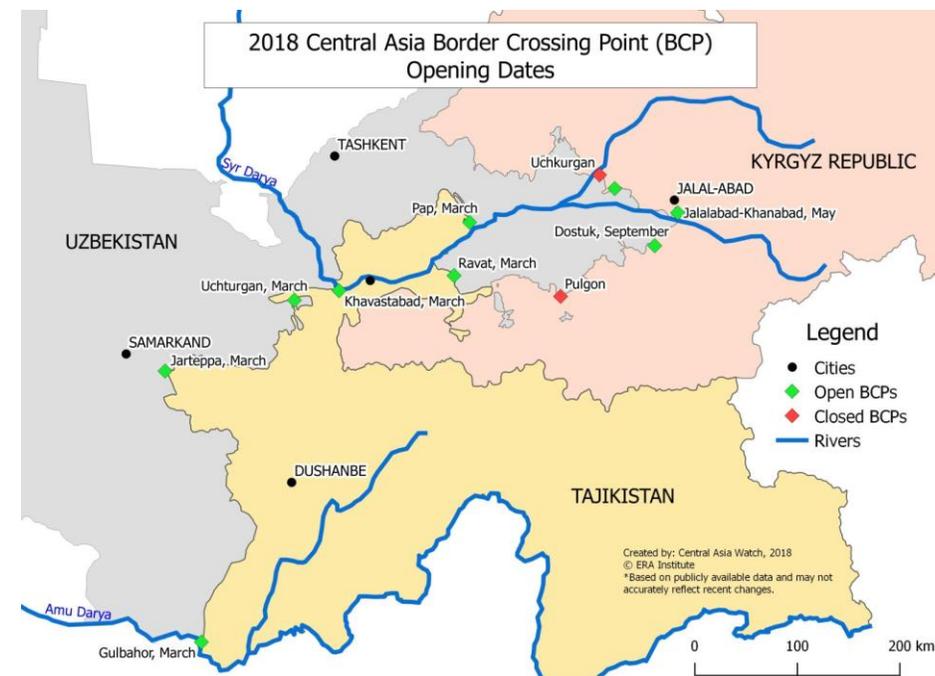
Executive Summary

- AEO grants *trusted trader status* that enhances supply chain security, accelerates clearance, and ensures predictability.
- For landlocked Central Asia, AEO strengthens SEZ competitiveness and attracts investment.
- Integrating AEO with the Central Asia Transit System (CATS) creates region-wide expedited transit.



Pressing Challenges

- Uneven digital infrastructure and fragmented regulations
- Limited interoperability with SEZ systems and CATS
- High compliance barriers for SMEs
- Shortage of customs expertise for audits and risk profiling
- Lack of established MRAs and global alignment



Objectives

- Enhance supply chain security and compliance in SEZs
- Reduce clearance and transit times
- Lower trade costs using digital Single Window + CATS
- Establish regional mutual recognition of AEO status
- Strengthen SEZ competitiveness and investment appeal



Strategic Value

AEO + CATS + SEZs = Competitive Corridors

- Faster border crossings
- Harmonized customs treatment
- Fewer inspections and lower trade costs
- Reliable and secure SEZ operations





Regional Connectivity Impact

- Dependable land transit comparable to maritime gateways
- Supports CAREC corridors, Middle Corridor & BRI routes
- Establishes trusted trader ecosystems for cross-border e-commerce and logistics

AEO in SEZ Operations

SEZ Operators Benefit From:

- Priority processing & fewer documentation requirements
- Streamlined inspections based on risk
- Predictable supply chain flows & digital interoperability
- Trusted ecosystem linking customs, logistics & business





Linkage with CATS

Synergies When AEO Operates within CATS

Without AEO

- Repeated inspections
- Unpredictable transit
- Manual paperwork
- High costs

With AEO + CATS

- Priority, risk-based checks
- Harmonized, predictable movement
- Digital data exchange
- Lower compliance & logistics costs

CATS as a Backbone

- Recognizes trusted operators across borders
- Provides secure transit visibility & data flows
- Reduces inspections & duplication
- Strengthens corridor reliability for cargo + e-commerce



Roles & Responsibilities

- ADB – Coordination, governance, regional alignment
- KCS – Technical guidance, audits, risk training, digital advice
- CAREC Customs – Certification, inspections, CATS activation & enforcement



Implementation Methodology

- Baseline Assessment – SEZ trade flows, logistics, customs processes
- Trusted Trader Framework – Criteria, audits, capacity building
- Digital Integration – Single Window, secure data exchange, IRM
- Regional Coordination – Standardization + MRAs
- Continuous Evaluation – KPIs for clearance time, compliance, flows



Key Enablers

- Digital Single Window & e-certificates interoperability
- Secure data-sharing systems (blockchain where applicable)
- CATS-based transit recognition for AEO-certified traders
- Bilateral to regional Mutual Recognition Agreements (MRAs)



Strategic Solutions

AEO-based SEZ Pilot Program

- Simplified certification for SEZ operators
- Hands-on support from KCS + digital readiness from ADB
- Real-time CATS integration for transit visibility
- Regional capacity building & harmonized risk management





Pilot Design

Phase

1. Design & Preparation
2. Pilot Implementation
3. Monitoring & Evaluation
4. Scale-up & Replication

Focus

- Framework + SEZ readiness + CATS alignment
- SEZ operator certification + training
- Data-driven improvements
- Expansion & regional MRAs

Expected Outcomes

For SEZ Operators:

- Reduced clearance & transit times
- Lower logistics and compliance costs
- Global recognition through MRAs

For Customs Authorities:

- Targeted inspections
- Better allocation of resources
- Higher compliance confidence through data



Long-Term Vision

- SEZs as trusted, globally recognized hubs
- Digital, risk-based, interoperable trade ecosystem
- CATS as a regional highway for secure, cost-efficient logistics
- Central Asia as a competitive transit & e-commerce corridor



Closing Message

- AEO evolves beyond compliance.
- It becomes a strategic enabler of digital connectivity, regional integration, and competitive SEZ operations supported by CATS.

